TRICAN
WELL SERVICE LTD.

TECHNOLOGY
SOLUTIONS
RESULTS

2001
ANNUAL REPORT

Trican Well Service Ltd. provides a comprehensive array of specialized products and services to the upstream oil and gas industry. These services are utilized in the drilling, completion, stimulation and reworking of oil and gas wells. The Company is headquartered in Calgary, Alberta and has operating bases covering the entire Western Canadian Sedimentary Basin.

Since its public offering in December 1996, Trican has invested close to $133 million in new equipment and operating facilities, added new services to its business and expanded the scope of its operations to encompass the entire Western Canadian Sedimentary Basin. As a result of its aggressive expansion program, Trican has evolved from a regional supplier of pumping services to the second largest well service company operating in western Canada.

Trican operates in the major sectors of the oilfield pressure pumping industry which include coiled tubing, fracturing, nitrogen pumping, cementing and acidizing services. Since its public offering in late 1996, the Company's strategy has been to expand from its original pumping services to the more technically advanced, higher margin services of coiled tubing, fracturing and nitrogen services. Trican's shares trade on The Toronto Stock Exchange under the symbol "TCW".

NOTICE OF ANNUAL MEETING

Trican is pleased to invite its shareholders and other interested parties to the Company's Annual Meeting at 2:00 p.m. on Wednesday, May 15, 2002 in the Strand/Tivoli Room of the Metropolitan Centre, 333 - 4th Avenue S.W., Calgary, Alberta.

THE TECHNOLOGY

Significant investment in technology has been part of Trican's growth strategy since 1996. In 2001, this investment included developing and refining liquid CO_2 fracturing, acquiring the exclusive Canadian rights to the Polybore system, and introducing fiber optic coiled tubing and cement pulsation to the Canadian market. Investment in technology also includes the Company's research and development lab in Red Deer, Alberta.

THE SOLUTIONS

From fracturing low-pressure gas wells, to preventing corrosion of casing, to measuring temperature in horizontal wells, to eliminating natural gas migration through cement, the technologies in which Trican invests are designed to provide solutions to specific challenges faced by oil and gas producers working in the Western Canadian Sedimentary Basin. From there, these proven technologies are then exported to oil and gas producing areas throughout the world.

THE RESULTS

Because these innovative technologies are either exclusive to Trican, or have a limited number of service providers, they afford the Company a demonstrated market advantage and further differentiate Trican from its competition. Part of the increase in the Company's revenue per fracturing job is due to the success of CO_2 fracturing. The success of cement pulsation led to new customers for the Company's other products and services.

2001

During the first nine months of 2001, robust commodity prices led to the Company achieving a continuing string of record financial and operating results. Despite the downturn in the last quarter of 2001, Trican achieved record results for the year in sales, cash flow, earnings, number of jobs performed, return on assets and return on equity. The Company also expanded its equipment fleet and introduced new technologies, and as a result, competes in all segments of the pressure pumping industry.


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1st QUARTER

- High commodity prices produced record cash flows for oil and gas producers which translated into record demand for Trican's services.
- Trican recorded the highest level of revenue, net income and cash flow for any quarter in the Company's history.
- The number of jobs completed during the quarter increased 47%.
- Trican acquired the exclusive Canadian rights to utilize the Polybore system.
- Trican was chosen to attempt one of the largest fracturing treatments ever pumped in Canada.

2nd QUARTER

- Revenue increased 127% for the three months ended June 30 over the prior period.
- The number of jobs completed during the quarter increased 105% over 2000.

3rd QUARTER

- The 2001 third quarter results represent Trican's fifth consecutive quarter of record results. Revenue increased 36% for the three months over 2000.
- The number of jobs completed during the quarter increased 27%.
- Trican is the first company to offer fiber optic coiled tubing in Canada.
- Trican introduced cement pulsation to the Canadian oil industry.

4th QUARTER

- Weakening prices for both oil and natural gas dramatically reduced customers' cash flow and led to the postponement or abandonment of planned work programs.
- Demand for services fell by more than 40% from the first quarter levels.
- Revenue decreased 26% to $32.3 million.
- A net loss of $50 thousand was recorded compared to net income of $5.8 million in the fourth quarter of 2000.
- Trican drilled its first horizontal well using coiled tubing.

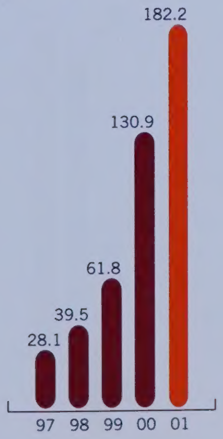
FINANCIAL SUMMARY AND OPERATIONAL HIGHLIGHTS

($000s, except per share amounts and operational information)

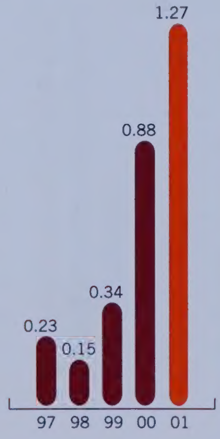
	2001	2000	Change	% Change
FINANCIAL SUMMARY				
Revenue	**182,217**	130,878	51,339	39%
Net Income	**21,873**	14,816	7,057	48%
Per Share Basic	**1.34**	0.93	0.41	44%
Per Share Diluted	**1.27**	0.89	0.38	43%
Funds from Operations	**39,681**	25,167	14,514	58%
Per Share Basic	**2.42**	1.59	0.83	52%
Per Share Diluted	**2.31**	1.49	0.82	55%
Capital Expenditures	**46,141**	32,373	13,768	43%
Long-term Debt	**28,908**	20,329	8,579	42%
Shareholders' Equity	**92,591**	69,753	22,838	33%
Average Share Outstanding – Basic	**16,374**	15,874	500	3%
Average Share Outstanding – Diluted	**17,208**	16,729	479	3%
Shares Outstanding at Year End	**16,428**	16,134	294	2%

OPERATIONAL INFORMATION				
Well Service				
Number of Jobs Completed	**12,450**	10,508	1,942	18%
Revenue per Job	**12,587**	10,898	1,689	15%
Production Services				
Number of Jobs Completed	**2,499**	1,330	1,169	88%
Revenue per Job	**5,960**	5,567	393	7%
Number of Hours	**21,173**	20,830	343	2%
Revenue per Hour	**419**	382	37	10%

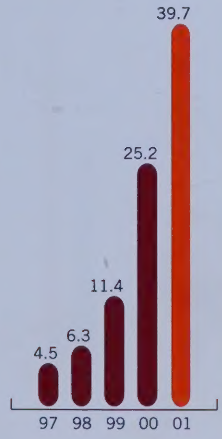
SALES
($millions)



EARNINGS PER SHARE
($)



CASH FLOW
($millions)



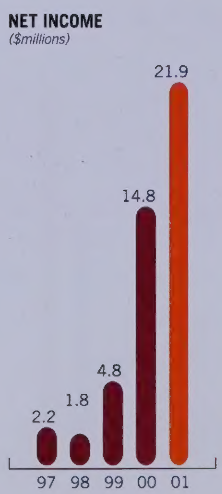
On behalf of the Board of Directors of Trican Well Service Ltd., I am very pleased to report on the growth and development of our Company in 2001 and on its continued achievement of record financial and operational results. The impact of Trican's sustained investment in its technology, combined with unprecedented demand for services during the first half of the year, provided strong year-over-year growth in all financial and operational measures.

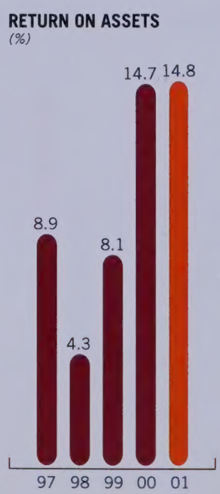
YEAR IN REVIEW

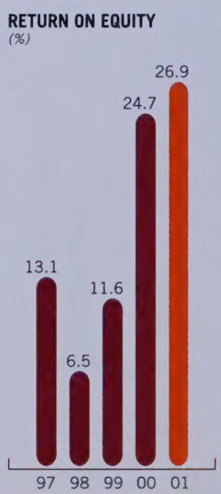
In our report to shareholders last year, we conveyed our expectation that strong commodity prices in 2001 would drive record levels of activity in our areas of operations, resulting in increased demand for our services. We also expected Trican's growth strategies of expanding its base of operations and broadening the range of services it offers would position the Company to capitalize on this increased demand for services.

Our results for 2001 met our expectations. During the first nine months of the year, higher commodity prices did fuel high levels of activity and Trican was able to set successive quarterly records for revenue growth, profitability and activity levels. However, by the last quarter of the year, falling commodity prices severely restricted our customers' cash flow, leading to a marked decrease in demand for services. A year that began with record levels of well servicing activity finished with the lowest year-end level of activity since 1998. December's levels were more than 35% lower than those of the previous year.

Despite these conditions, for the second consecutive year, Trican achieved records in all measures of performance, including sales, earnings, number of jobs performed, return on assets and return on equity. Trican's sales for the year exceeded $180.0 million, an increase of almost 40% over 2000 sales levels. Net income and cash flow from operations increased more than 48% and 58% respectively. Return on assets of 15% and return on equity of 27%, reflect continued strong performance compared with our prior years' results and our industry peers.







OPERATIONAL RESULTS

Canadian Operations

In February of 2001, Trican and its subsidiary companies reorganized their operations into two divisions to better coordinate our activities and serve our customers.

Well Service Division – The Well Service Division includes deep coiled tubing, nitrogen, fracturing and cementing, and contributed 86% of the Company's revenue in 2001. Fueled by high demand for services through most of the year, this division established new Company records for the number of jobs completed and the average revenue per job. Our investment in developing our technological capabilities and reputation also proved successful, as the Company penetrated the more challenging, more highly technical segments of the well service market. Highlights for the year include

- In the first quarter of 2001, Trican was chosen to attempt one of the largest fracturing treatments ever pumped in Canada.
- Trican introduced fiber optic coiled tubing to the Canadian market in the summer of 2001. This technology allows our customers to use fiber optic temperature measurements to better understand the production capabilities of their wells.
- During the year, Trican introduced an innovative technology that was developed with U.S. partners and works to control gas migration into cement. The technology has since been used on a number of wells with a 96% success rate, overcoming a potentially costly problem for our customers.
- In the fourth quarter, Trican entered the horizontal coiled tubing drilling market and drilled four horizontal wells in the remainder of 2001.

Trican continues to develop its market share for our services and we currently estimate that we have the second largest market share for all of these services. During the year, this division completed almost 12,500 jobs, the highest annual tally achieved to date, and achieved an increase in average revenue per job of 15% over the 2000 average.

Production Services Division – The Production Services Division includes intermediate depth coiled tubing services, stimulation services and jet pumping, and contributed 14% of the Company's revenue in 2001. With the acquisition of Canadian Oilfield Stimulation Services (COSS) in December 2000, Trican increased its operational capacity and technical expertise and enhanced its presence in the acidizing services market. Revenue from this division grew by 66% over last year, primarily due to the growth in acidizing services. The number of jobs increased by 88% and the average revenue per job increased by 4%. However, an influx of new, intermediate depth coiled tubing units into the market place in 2001, created an oversupply situation for these units and hampered overall profitability for this division. We expect this market will continue to be over supplied for the near term.

The acquisition of COSS also provided us with a platform from which to deliver Industrial Services. Industrial Services involve the mechanical or chemical cleaning of industrial plants and pipelines, and provide another market for our chemical and pressure pumping expertise. In 2001, we added to our Industrial Services fleet by purchasing the assets of R&D Osborne Steaming Ltd. As opportunity and market conditions allow, we expect to continue to enhance our operating and technical capabilities.

Although the Production Services Division comprises a smaller proportion of the Company's total assets and revenue, we believe that by enhancing our operating and technical capabilities, long-term growth potential exists in these markets for Trican.

International Sales

Trican continues to actively pursue opportunities outside of Canada. To mitigate risks, we have established rigorous investment criteria that must be met before a project may be undertaken. We are in various stages of negotiation on a number of projects and expect to have established operations outside of Canada in the near future.

Technological Advancements

In past reports we have discussed our progress in executing our initial growth strategies – expanding our base of operations and broadening the services offered to our customers. The new facilities we have opened in the past number of years enable us to serve customers anywhere in the Western Canadian Sedimentary Basin. With the introduction of new services and significant investment in new equipment, Trican now successfully competes in all of the major segments of the pressure pumping industry. As a natural extension of our initial growth strategies, Trican also focuses on developing its technical capabilities and reputation, as well as on providing specific solutions to the problems experienced by our customers in western Canada. In the Operations Review section of this annual report, we have profiled our efforts in this area and the value provided to our customers. We believe that Trican can continue to develop its market presence in western Canada. Our ongoing efforts to develop new and innovative products for our customers, coupled with a continued focus on operational excellence, will drive this growth.

OUTLOOK

Unlike the somewhat optimistic view held regarding industry conditions over the last few years, demand for services in 2002 is not expected to improve over that of 2001. Commodity prices trended downward throughout 2001, and the near-term pricing outlook remains uncertain. As a result, demand for Well Services in 2002 is expected to decrease by as much as 35% from that of 2001. While an industry downturn will impact the Company's results, with a strong balance sheet and an established base of operations, Trican is well situated to weather any downturn and is well positioned to take advantage of increased activity levels when commodity prices turn around.

On behalf of the Board of Directors

Murray L. Cobbe
President and Chief Executive Officer
February 27, 2002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OVERVIEW OF SERVICES

Trican provides a comprehensive array of specialized products, equipment and services that are utilized during the entire life cycle of an oil or gas well. The Company has two divisions catering to all of the major sectors of the oilfield pressure pumping services industry. The Well Service Division includes cementing, fracturing, deep coiled tubing and nitrogen services. The Production Services Division includes acidizing, intermediate depth coiled tubing, Polybore, jet pumping and Industrial Services.

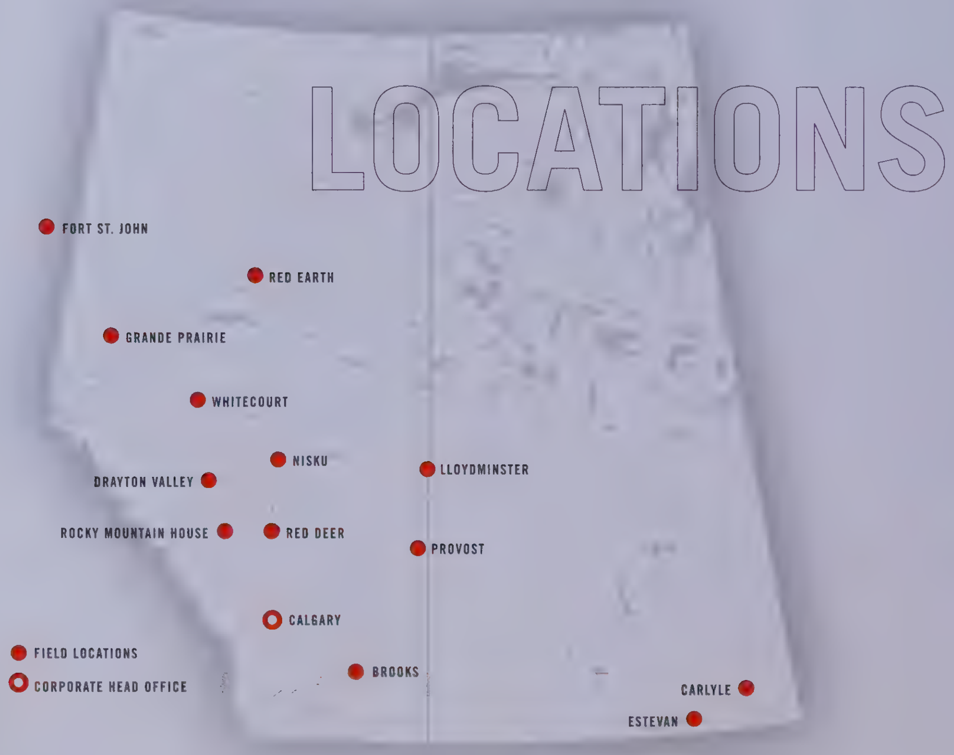
Services offered through Trican's Well Service Division are heavily utilized during the drilling and completion of oil and gas wells, and during this phase of the life of a well, demand for these services is proportional to the number of wells drilled. In 2001, 17,933 wells were completed in the Western Canadian Sedimentary Basin, surpassing the previous record of approximately 16,485 wells established in 2000.

After a well has been drilled and completed, it enters into the production phase. There are currently approximately 100,000 producing wells in western Canada. Depending on the formation, an individual well may have a productive life of up to 50 years, although 30 years would be a more typical life span. Providing services for these wells is the principal market for the Production Services Division, however the services of the Well Service Division are also utilized while a well is in production.

Once a well has completed its productive life it must be abandoned. During this final phase in the life of a well, services from both the Well Service and Production Services Divisions may be utilized.

OPERATIONS BASES

Trican's operations continue to be centered in western Canada. Headquartered in Calgary, Alberta, the Company operates bases in Alberta, British Columbia and Saskatchewan, providing services to its customers across the entire Western Canadian Sedimentary Basin.



DESCRIPTION OF SERVICES

Well Services

Coiled Tubing Services: Coiled tubing is jointless steel pipe manufactured in lengths of thousands of meters and coiled on a large reel. The tubing is run into oil or gas wells to create a circulating system, and is then used to introduce acids, nitrogen or other products into the well for purposes such as removing unwanted fluids or solids. Coiled tubing workovers allow operators to continue producing without shutting down the well, reducing the risk of formation damage.

Fracturing Services: Fracturing is a well stimulation process performed to improve production. Fluid is pumped at sufficiently high pressure to fracture the formation. A proppant is added to the fluid and injected into the fracture to prop it open, permitting hydrocarbons to flow more freely into the wellbore.

Cementing Services: Cementing is utilized when drilling a well, but may also be required during the producing life of a well. Primary cementing treatments are utilized during the drilling phase of an oil or gas well to support the production casing within the wellbore and to isolate producing zones. Remedial cement service is used to repair casing or eliminate communication leaks between producing zones during a well's operating life.

Nitrogen Services: Nitrogen is an inert gas that is pumped into the wellbore to improve the recovery of introduced or produced fluid, safely, while reducing potential formation damage. Trican's nitrogen services are applied in conjunction with its coiled tubing, acidizing and fracturing services.

Production Services

Coiled Tubing Services: As described previously, however the coiled tubing services offered by this division focus on well depths less than 1,500 meters.

Acidizing Services: Acidizing is a well stimulation process that involves pumping large volumes of specially formulated chemical blends into producing oil or gas formations to clean out unwanted materials or to dissolve portions of the producing formation in order to enhance the well flow rate.

Polybore Services: The Polybore System is a patented process that involves introducing a polyethylene lining into a wellbore to either repair damage, extend casing life by reducing corrosion, or reduce the energy required to inject fluids into a reservoir.

Jet Pumping Services: Jet Pumping is an artificial lift system used to evaluate the producing capabilities of oil and gas wells.

Industrial Services: Industrial Services involve the mechanical or chemical descaling and cleaning of industrial plants as well as the inerting and purging of plants and pipelines with nitrogen.

WORK ENVIRONMENT

Trican is committed to maintaining a safe working environment for its employees, customers and the public at large. To this end, the Company has developed safety and training programs that are designed to improve its performance and continue to raise an awareness of the importance of safety to its operations.

TECHNOLOGY

Technological improvement continues to be a focus for Trican. The Company's technical efforts are centered on working with its suppliers and customers to provide effective and efficient solutions to specific problems in western Canada. These solutions are then exported to other areas of the world, which in the past have included the USA, Russia, Kuwait and Argentina. From its base in Red Deer, Alberta, Trican operates the second largest research and development facility of its type in western Canada. The Company's R & D group is currently working on numerous research projects, many of which have been joint ventured with suppliers, customers and partners. These projects are at various stages of development; however, Trican expects to have a high-pressure coiled tubing jetting system, multi-lateral coiled tubing entry system, new water fracturing system and a new water shut off system in place for commercialization in early 2002. As a result of these efforts, Trican has developed numerous proprietary systems and has a number of patents pending on some of the products developed.

Trican's process of using its technical knowledge to engineer solutions to problems and gain results underlies its research and development efforts and provides the framework for reviewing its results in this area.

TECHNOLOGY...SOLUTIONS...RESULTS

LIQUID CO_2 FRACTURING

Technology

Liquid Carbon Dioxide (CO_2) fracturing is a process where liquid CO_2 and sand are blended together and then pumped into wells under high pressure. The CO_2/sand mixture cracks the rock and increases the production from the well. Trican is one of only two companies offering this innovative technology in Canada.

Solutions

The liquid CO_2 frac is specifically suited to stimulating production from low pressure gas wells and therefore has great applicability in the Western Canadian Sedimentary Basin, where there has been an increase in the number of low pressure gas wells being drilled. The technology has also been exported to the northern United States where damaged low pressure gas wells exist.

Results

These technical fracturing treatments were an important contributor to the increase in Trican's average revenue per fracturing job from $26,000 to $33,600 in 2001.

POLYBORE

Technology

Polybore is a process in which polyethylene pipe is run into a well using equipment similar to a coiled tubing unit. The polyethylene pipe seals itself tightly to the steel casing in the well, thereby protecting it from corrosion and damage.

Solutions

Polybore has a number of applications and solves several problems within the oil and gas industry. For example, one of its applications eliminates the need for production tubing in water injection wells. With over 7,000 injection wells in Alberta, this significantly reduces operating costs for oil and gas producers. Polybore is also used to prevent corrosion of steel casing, as well as to repair damaged casing.

Results

Polybore enjoyed a breakthrough year in 2001 with the technology evolving from a new innovation into a proven technology. Government authorities in both Alberta and Saskatchewan granted approval for applying the technology and since that time, four wells have been completed using Polybore. Trican expects to further increase the number of wells completed in 2002.

FIBER OPTIC COILED TUBING

Technology

Trican has partnered with a fiber optic company in the United States to introduce Canada's first fiber optic coiled tubing technology. This technology enables Trican to measure the temperature profile along the entire length of the well by shooting a beam of light through the fiber string. Trican is the only company to offer this technology in Canada.

Solutions

A number of horizontal wells have been drilled over the past ten years. Fiber optic coil allows the operators to obtain a production profile along the entire length of the well. This profile demonstrates which parts of the well are producing hydrocarbons and which parts are producing water or are not producing at all. The technology is also particularly suited for determining temperature distributions in steam flooded heavy oil wells.

Results

Trican introduced this technology to Canada in the third quarter of 2001. Since then, the technology has been used on several wells. Trican expects growing market acceptance of this technology and anticipates treating additional wells in 2002.

CEMENT PULSATION

Technology

Trican, in conjunction with partners in the United States, has introduced cement pulsation technology to western Canada. This patented technology uses a specially designed piece of equipment to apply pressure pulses to a well after it has been cemented.

Solutions

The technology is specifically designed to improve cement performance in gas wells. Pulsation has been proven to prevent gas migration into cement, which solves surface gas vent and zonal isolation problems for many oil and gas operators.

Results

Since its introduction in the second quarter of 2001, Pulsation has been used in more than 50 wells with a 96% success rate in the reduction of gas migration into cement. The technology has allowed producers to avoid a potentially expensive problem and provided an innovative technology with which to introduce our services to new customers.

PRODUCTION SERVICES – ACID

Technology

Trican has developed new acidizing technology that removes sludge from wells while acidizing. The technology relies on unique chemicals developed by Trican rather than conventional solvents to remove the wax and sludge. The new acid blend is also much more cost-effective than current blends.

Solutions

Many oil wells in western Canada are drilled into acid soluble carbonate zones. Wax and asphaltene have often built up over time requiring large, expensive treatments. Trican's new SRA acid reduces the cost of these treatments by 30% and is much more effective in removing sludge than conventional blends.

Results

Since releasing the technology in the second quarter of 2001, Trican has completed a number of wells in the Whitecourt, Alberta area using the new blend and has used this service as a means of securing new customers.

The following discussion and analysis of the financial condition of the Company and results of operations should be read in conjunction with the consolidated financial statements and accompanying notes contained in this annual report.

OVERVIEW

In 2001, Trican again achieved record results for revenue, earnings and operational activity. Revenue grew 39% on a year-over-year basis to $182 million from the previous Company record of $131 million established in 2000. Net income of $21.9 million increased almost 48% from the 2000 level of $14.8 million. Diluted earnings per share increased 43% to $1.27 from the previous high in 2000 of $0.89 per share. Cash flow of $39.7 million increased 58% over the 2000 total of $25.2 million. All of these measures established new corporate records for Trican.

Trican's solid financial and operational performance for 2001 reflects a strong demand for services combined with the impact of the Company's continued investment in technology and innovative products. Demand for services during the first nine months of the year was influenced by strong crude oil prices. Month-end prices for WTI crude oil averaged more than US$26 per barrel for the first three quarters of the year; however, by year end, prices had fallen to below US$20 per barrel. This decline was due to increases in world oil inventory levels and uncertainty over cooperation between OPEC and non-OPEC producers in managing production levels. Similarly, natural gas prices began the year at or near record prices but fell sharply by mid-year. By the third quarter, prices had fallen more than 60% from the first quarter highs, and building North American inventory levels, combined with weaker U.S. economic performance, acted to depress near-term price forecasts for natural gas.

The combination of weakening prices for both oil and natural gas dramatically reduced our customers' cash flow and led to the postponement, or abandonment, of planned work programs. Demand for services weakened in the second half of the year and in the fourth quarter fell by more than 40% from the first quarter levels.

Despite the slowdown in activity experienced in the second half of the year, the total number of wells drilled in the Western Canadian Sedimentary Basin exceeded 18,000 – a record high for activity in the basin. In a challenging year, Trican posted significant year-over-year growth in its financial and operational results.

COMPARATIVE INCOME STATEMENTS

($000s, except %)

	2001	% of Revenue	2000	% of Revenue	Year over Year	% Change
REVENUE	**182,217**	**100.0%**	130,878	100.0%	51,339	39.2%
EXPENSES						
Materials and Operating	**130,013**	**71.4%**	93,538	71.5%	36,475	39.0%
General and Administrative	**4,479**	**2.5%**	3,692	2.8%	787	21.3%
Interest Expense	**3,016**	**1.7%**	1,509	1.2%	1,507	99.9%
Depreciation	**9,583**	**5.3%**	6,946	5.3%	2,637	38.0%
	147,091	**80.7%**	105,685	80.8%	41,406	39.2%
INCOME BEFORE INCOME TAXES	**35,125**	**19.3%**	25,193	19.2%	9,932	39.4%
Provision for income taxes	**12,340**	**6.8%**	9,710	7.4%	2,630	27.1%
Net Income before goodwill amortization	**22,785**	**12.5%**	15,483	11.8%	7,302	47.2%
Goodwill amortization	**912**	**0.5%**	667	0.5%	245	36.7%
NET INCOME	**21,873**	**12.0%**	14,816	11.3%	7,057	47.6%

Headquartered in Calgary, Alberta, the Company operates bases in Alberta, British Columbia and Saskatchewan and provides services to customers across the entire Western Canadian Sedimentary Basin. Trican provides a comprehensive array of specialized products, equipment and services that are utilized during the entire life cycle of oil and gas wells. The Company's operations are managed in two divisions – Well Service and Production Services. The Well Service Division provides deep coiled tubing, nitrogen, fracturing and cementing services. The Production Services Division provides acidizing, intermediate depth coiled tubing, Polybore, jet pumping and Industrial Services.

WELL SERVICE DIVISION

($000s, except % and job information)

Year ended December 31,	**2001**	**% of Revenue**	2000	% of Revenue	Year over Year Change
Revenue	**157,421**		116,016		36%
Expenses					
Material and operating	**111,255**	**70.7%**	83,235	71.7%	34%
General and administrative	**465**	**0.3%**	386	0.3%	20%
Depreciation	**7,963**	**5.1%**	6,470	5.6%	23%
Total expenses	**119,683**	**76.0%**	90,091	77.7%	
Income Before Income Taxes and Goodwill Amortization	**37,738**	**24.0%**	25,925	22.3%	46%
Number of jobs	**12,450**		10,508		18%
Revenue per job	**12,587**		10,898		15%

The Well Service Division's strong financial and operating performance for 2001 reflects strong demand for services for the first three quarters of the year, combined with the impact of continued investment in technology and innovative products. Revenue of $157 million increased by 36% over the previous year total of $116 million. Strong demand for all of the division's services led to increased overall activity in all lines but the most significant increases were recorded in the number of coiled tubing, nitrogen and fracturing jobs completed. The total number of jobs increased by 18% to 12,450 jobs from the 10,508 completed in 2000. Revenue per job increased by 15% primarily as a result of an increase in average revenue for fracturing and cementing services.

Materials and operating expenses decreased as a percentage of revenue due to higher levels of activity and the growth of higher margin services of fracturing, coiled tubing and nitrogen services. General and administrative expenses increased on a year-over-year basis as a result of higher activity levels. Depreciation expenses increased to $8.0 million or 5.1% of sales from $6.5 million or 5.6% in 2000. Higher depreciation is indicative of the significant investment in equipment and facilities the Company made in the last year.

Sales from the Well Service Division accounted for 86% of the total revenue of the Company, down from 89% in 2000. Fracturing services contributed 44% of the total sales of the Well Service Division, surpassing cementing as the largest service of this division. The growth of the fracturing services revenue reflects the significant investment made by the Company in equipment and technical services in recent years. Cementing services made up 38% of the total sales of this division, with coiled tubing and nitrogen contributing 9% and 8% respectively.

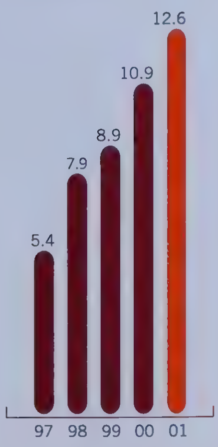
PRODUCTION SERVICES DIVISION

($000s, except % and job information)

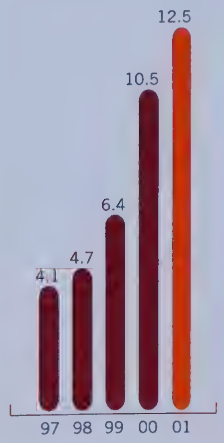
Year ended December 31,	2001	% of Revenue	2000	% of Revenue	Year over Year Change
Revenue	**24,796**		14,862		67%
Expenses					
Material and operating	**17,810**	**71.8%**	8,866	59.7%	101%
General and administrative	**52**	**0.2%**	385	2.6%	-86%
Depreciation	**1,611**	**6.5%**	472	3.2%	241%
Total expenses	**19,474**	**78.5%**	9,723	65.4%	
Income Before Income Taxes and Goodwill Amortization	**5,322**	**21.5%**	5,139	34.6%	4%
Number of jobs	**2,499**		1,330		88%
Revenue per job	**5,960**		5,567		7%
Number of hours	**21,173**		20,830		2%
Revenue per hour	**419**		382		10%

Trican's Production Services Division recorded strong growth in sales and activity levels for 2001; however, overall profitability was negatively impacted by a decline in demand for all the Division's services in the last quarter of the year as well as increased competition in the intermediate depth coiled tubing market. Revenue of $25 million increased by 67% over the previous year total of $15 million. The addition of Canadian Oilfield Stimulation Services Ltd. ("COSS"), in December of 2000, contributed to the strong sales growth as well as a strong demand for services experienced in the first nine months of the year. The total number of jobs completed increased by 88% to 2,499 jobs from the 1,330 completed in 2000, principally as a result of much higher acidizing activity. Revenue per job increased 4.4% from $5,567 to $5,813 as increases in jet pumping and the introduction of Polybore services offset declines in the average

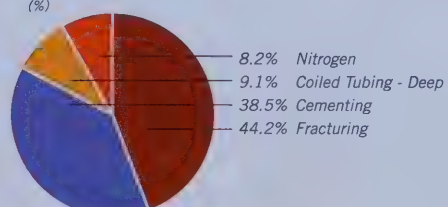
REVENUE PER JOB
Well Service
($thousands)



NUMBER OF JOBS
Well Service
(thousands)



SALES MIX
Well Service
(%)



revenue per job for acidizing. The decline in the average revenue per job for acidizing services is consistent with an increased focus on the production services market which typically features lower revenue and lower margin jobs.

Intermediate depth coiled tubing units produced a slightly higher total number of hours and a 10% increase in the revenue per hour on a year-over-year basis, as a result of strong demand for services in the first six months of the year. However, by mid-year increased competition arising from new units being introduced into the market place and a general slowdown in industry activity undermined operating results from these units.

Materials and operating expenses increased as a percentage of revenue primarily due to weakened performance from the intermediate depth coiled tubing units in the last six months of the year. Operating margins for acidizing services decreased on a year-over-year basis as a result of an increased focus on the production services market which typically features lower revenue, lower margin jobs. General and administrative expenses decreased on a year-over-year basis as a result of corporate restructuring relating to the acquisition of Northline Energy Services completed in 2000. Depreciation expenses increased to $1.6 million or 6.5% of sales from $0.5 million or 3.2% in 2000. Higher depreciation reflects the acquisition of COSS as well as the Company's investment in equipment and facilities made in the last year.

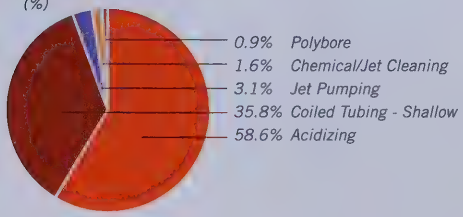
Sales from the Production Service Division accounted for 14% of the total revenue of the Company, up from 11% in 2000. At 59%, acidizing services contributed the largest segment of total sales followed by coiled tubing services at 36%. This is a reversal of the 2000 mix where coiled tubing made up 51% and acidizing 45%.

CORPORATE DIVISION

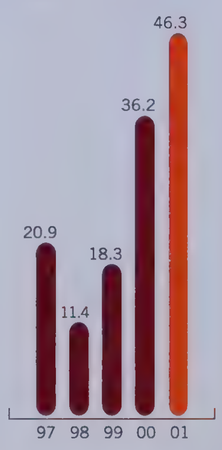
Total expenses for the Corporate Division increased 32% from $6.0 million in 2000 to $7.9 million in 2001 but stayed constant as a percentage of consolidated revenue at about 4.4%. General and administrative expenses increased from $2.9 million to $4.0 million as a result of the growth of the Company and higher overall levels of activity but remained at 2.2% of sales. Interest expense doubled from $1.5 million in 2000 to $3.0 million in 2001, as a result of higher average levels of debt outstanding during the year.

Income Taxes – Trican's income tax expense increased proportionally with the increase in profitability in 2001. The Company's effective tax rate during 2001 was 35.1%. The future tax component relates to the deferral of taxable income provided by the use of a partnership structure, as well as to accelerated deductions for capital cost allowance for tax purposes claimed in excess of depreciation and amortization for accounting purposes.

SALES MIX
Production Services
(%)



CAPITAL EXPENDITURES
($millions)



LIQUIDITY AND CAPITAL RESOURCES

Liquidity – Funds from operations for the year ended December 31, 2001 amounted to $39.7 million, an increase of more than 58% over the 2000 level of $25.2 million. Capital expenditures for the year totalled $46.1 million, the highest level of investment in the Company's history. This aggressive investment in operating assets, more than $133 million in the last five years, has provided the Company with the equipment fleet that produced the strong growth in sales in 2001.

At December 31, 2001 the Company had working capital of $7.9 million compared to $5.4 million at the end of 2000. The Company has an operating line of credit to finance working capital requirements. Maximum availability under the line is $23 million, subject to certain conditions. At December 31, 2001 $4.7 million was drawn on this facility. The inventory of operating supplies, parts and materials is required to carry on daily operations.

Capital Resources – Trican had long-term debt (excluding current portion) of $28.9 million at year-end 2001 compared with $20.3 million at the end of 2000. The increase in long-term debt is related to funding of equipment purchases, and is in the form of lease facilities involving certain pieces of the Company's operating equipment. These arrangements are reflected in the accounts of the Company as capital leases, and will be repaid over 84 months from the commencement of the lease. The leases contain no financial covenants and bear interest at an average of 8.16%. The Company believes that its strong balance sheet and unutilized borrowing capacity, combined with funds from operations, will provide sufficient capital resources to fund its on-going operations and future expansion.

INVESTING ACTIVITIES

Capital expenditures totalled $46.1 million for 2001, compared with $32.4 million in 2000. These additions expanded operating capacity in all service lines. This capital program was funded by cash flow from operations and through existing equipment debt facilities. In addition, at the end of 2001, the Company had a number of ongoing capital projects and estimates that $5.5 million of additional investment will be required to complete these projects.

CASH REQUIREMENTS

The Company has historically financed its capital expenditures with funds from operations, equity issues and debt. In addition to the amounts for projects ongoing at the end of 2001, capital expenditures for 2002 are expected to be $4.6 million. All capital expenditures will be financed by funds from operations and/or credit facilities.

BUSINESS RISK

The demand for Trican's services is largely dependent upon the level of expenditures made by oil and gas companies on exploration, development and production activities. The price received by our customers for the crude oil and natural gas they produce has a direct impact on cash flow available to them to finance the acquisition of services provided by Trican. Exploration, development and production activities are also influenced by a number of factors including taxation and regulatory changes, access to pipeline capacity and changes in equity markets. Demand for crude oil and natural gas is also strongly influenced by the strength of the global economy, but particularly the strength of the U.S. economy. A slowdown in the U.S. economy will weaken demand for crude oil and natural gas and reduce the demand for well services.

As the demand for well services is strongly affected by a number of different factors, the Company believes that it is difficult to predict, with any degree of accuracy, future levels of activity. To mitigate this risk, Trican has maintained a streamlined operation and effective cost structures so that it can respond to evolving market conditions. In addition, our strong balance sheet and adherence to conservative financing practices provides the resilience to withstand and benefit from volatility in activity levels within our sector.

The ability to move heavy equipment in the Canadian oil and natural gas fields is dependent on weather conditions. In the spring, the winter's frost comes out of the ground rendering many secondary roads temporarily incapable of supporting the weight of heavy equipment. The duration of this period, commonly referred to as "spring breakup", has a direct impact on the Company's activities. In addition, many areas in northern Canada are accessible only in winter months when the ground is frozen hard enough to support equipment. The duration and severity of winter in these regions influences the amount of work that can be completed. As a result of these factors, spring breakup, which can occur at any time between March and May, is typically the slowest period of operations for the Company.

The services provided by the Company, in some cases, involve flammable products being pumped under high pressure. To address these risks, Trican has developed and implemented safety and training programs. In addition, a comprehensive insurance and risk management program has been established to protect the Company's assets and operations. Trican also complies with current environmental requirements and maintains an ongoing participation in various industry-related committees and programs.

The Company faces the challenge of attracting and retaining skilled workers to meet any increase in demand for its services. The Company attempts to overcome this by offering an attractive compensation package and training to enhance skills and career prospects.

Accounting Standard Changes

In 2002 the Company will be required to adopt new Canadian accounting standards relating to stock based compensation and other stock based payments. The new standard is to be applied prospectively for stock based payments to non-employees and to employee awards that are direct awards of stock. For future awards, the Company will be required to follow the fair value method, as prescribed in the standard, and calculate a fair value of the stock granted and record that fair value as an expense over the term of the grant.

The new standard, however, permits the Company to continue the present policy that no expense is recorded on the grant of stock options to employees. All prior grants have been to employees and the Company does not expect the adoption of the new standard to have a material impact on the Company's financial condition or results of operations.

In 2002 the Company will also be required to adopt new accounting standards for business combinations and goodwill and other intangible assets. Under the new standard for business combinations, the Company will be required to use the purchase method to account for all business combinations initiated after July 1, 2001 and identify, separate from goodwill, other intangible assets that arise from contractual or legal rights or that can be separately sold. The new accounting standard substantially conforms with the accounting policies followed by the Company for all prior business combinations.

Under the new standard of accounting for goodwill, goodwill is no longer amortized, but is tested for impairment at least annually. Under the goodwill test, if the fair value of a reporting unit does not exceed its carrying value, the excess of fair value of net assets over the fair value of a reporting unit is considered to be the implied fair value of goodwill. If the carrying value of goodwill exceeds its implied value, the difference is recognized as an impairment loss. The Company is required to assess the potential impairment of goodwill within six months of January 1, 2002 adoption date, including an identification of business units at which goodwill will be tested. Should that assessment result in an impairment of goodwill, the amount will be charged to retained earnings at January 1, 2002.

OUTLOOK

Due to the uncertainty surrounding commodity prices, future activity levels are extremely difficult to predict. However based on the information available, Management has a conservative near term outlook with demand in 2002 for some services expected to decrease by 35% from 2001 levels.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Trican Well Service Ltd. is responsible for the preparation and integrity of the accompanying consolidated financial statements and all other information contained in this Annual Report. The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in Canada and include amounts that are based on management's informed judgements and estimates where necessary.

The Company maintains internal accounting control systems which are adequate to provide reasonable assurance that assets are safeguarded, transactions are executed in accordance with management's authorization and accounting records are reliable as a basis for the preparation of the consolidated financial statements.

The Board of Directors, through its Audit Committee, monitors management's financial and accounting policies and practices and the preparation of these financial statements. The Audit Committee meets periodically with external auditors and management to review the work of each and the propriety of the discharge of their responsibilities. Specifically, the Audit Committee reviews with management and the external auditors the financial statements and annual report of the Company prior to submission to the Board of Directors for final approval. The external auditors have full and free access to the Audit Committee to discuss auditing and financial reporting matters.

The shareholders have appointed KPMG LLP as the external auditors of the Company and, in that capacity, they have examined the financial statements for the periods ended December 31, 2001 and 2000. The Auditors' Report to the shareholders is presented herein.

Murray L. Cobbe
President and Chief Executive Officer

Michael G. Kelly
Vice President, Finance and
Chief Financial Officer

February 27, 2002

We have audited the consolidated balance sheets of Trican Well Service Ltd. as at December 31, 2001 and 2000 and the consolidated statements of operations and retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2001 and 2000 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants
Calgary, Canada

February 27, 2002

As at December 31,	2001	2000
ASSETS		
Current assets		
Cash	**$ 1,164,336**	$ 475,064
Accounts receivable	**27,397,912**	32,163,554
Inventory	**4,234,014**	4,164,257
Prepaid expenses	**1,314,853**	884,283
	34,111,115	37,687,158
Capital assets (note 4)	**118,852,163**	81,457,821
Other assets (note 5)	**4,001,271**	3,475,220
Goodwill, less accumulated amortization of $2,025,641 (2000 – $1,113,565)	**7,086,310**	7,998,386
	$ 164,050,859	$ 130,618,585
LIABILITIES & SHAREHOLDERS' EQUITY		
Current liabilities		
Bank loans	**$ 4,750,000**	$ 3,825,000
Accounts payable and accrued liabilities	**15,786,069**	20,926,365
Current income taxes payable	**963,306**	4,579,006
Current portion of long-term debt (note 6)	**4,693,138**	2,996,209
	26,192,513	32,326,580
Long-term debt (note 6)	**28,908,430**	20,329,446
Future income taxes (note 8)	**16,358,779**	8,209,528
Shareholders' equity		
Share capital (note 7)	**45,085,862**	44,120,396
Retained earnings	**47,505,275**	25,632,635
	92,591,137	69,753,031
Commitments and contingencies (notes 10 and 12)		
	$ 164,050,859	$ 130,618,585

See accompanying notes to the consolidated financial statements.

Director

Director

CONSOLIDATED STATEMENT OF OPERATIONS AND RETAINED EARNINGS

Year Ended December 31,	2001	2000
Revenue	$ 182,216,512	$ 130,878,249
Expenses		
Materials and operating	130,013,446	93,538,017
General and administrative	4,478,546	3,691,717
Interest expense	3,016,483	1,508,896
Depreciation	9,582,895	6,946,614
	147,091,370	105,685,244
Income before income taxes and goodwill amortization	35,125,142	25,193,005
Provision for income taxes (note 8)	12,340,426	9,709,819
Net income before goodwill amortization	22,784,716	15,483,186
Goodwill amortization, net of income taxes	912,076	667,165
Net income	21,872,640	14,816,021
Retained earnings, beginning of year	25,632,635	11,359,562
Change of accounting policy (note 2)	–	(542,948)
Retained earnings, end of year	$ 47,505,275	$ 25,632,635
Earnings per share before goodwill amortization:		
Basic	$ 1.39	$ 0.98
Diluted	$ 1.32	$ 0.93
Earnings per share		
Basic	$ 1.34	$ 0.93
Diluted	$ 1.27	$ 0.89

See accompanying notes to the consolidated financial statements.

Year ended December 31,	2001	2000
Cash Provided By (Used In):		
Operations		
Net income	$ 21,872,640	$ 14,816,021
Changes to income not involving cash		
Depreciation and amortization	10,494,971	7,613,779
Future income taxes	7,313,078	2,737,243
	39,680,689	25,167,043
Net change in non-cash working capital from operations	(6,172,953)	(1,859,812)
	33,507,736	23,307,231
Investments		
Purchase of capital assets	(46,141,064)	(32,373,036)
Purchase of other assets	(526,051)	(3,475,220)
Acquisitions (note 3)	–	(5,690,497)
Net change in non-cash working capital from the purchase and disposal of capital assets	1,682,272	2,715,688
	(44,984,843)	(38,823,065)
Financing		
Net proceeds from issuance of share capital	965,466	692,598
Issuance of long-term debt	36,903,815	13,407,843
Repayment of long-term debt	(26,627,902)	(2,795,219)
Increase in short-term borrowings	925,000	3,825,000
	12,166,379	15,130,222
Increase (decrease) in cash position	689,272	(385,612)
Cash position, beginning of year	475,064	860,676
Cash position, end of year	$ 1,164,336	$ 475,064

During 2001, the Company paid interest of $3,145,631 (2000 – $1,411,427) and paid taxes of $8,643,048 (2000 – $3,433,333).

See accompanying notes to the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

Trican Well Service Ltd. (the "Company") is incorporated under the laws of the province of Alberta. The Company provides a comprehensive array of specialized products, equipment, services and technology for use in the drilling, completion, stimulation and reworking of oil and gas wells in western Canada.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

CONSOLIDATION These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries.

REVENUE RECOGNITION The Company recognizes revenue for services and products at the time they are provided.

INVENTORY Inventory is carried at the lower of cost, determined under the first-in, first-out method, and net realizable value.

CAPITAL ASSETS Capital assets are stated at cost less accumulated depreciation. Major betterments are capitalized. Repairs and maintenance expenditures which do not extend the useful life of the equipment are expensed.

Depreciation is provided for using the straight-line method over the estimated useful life of the asset as follows:

Buildings and improvements	20 years
Equipment	3 to 10 years
Furniture and fixtures	10 years

Although management believes its estimates of the useful lives of the Company's capital assets are reasonable, it is possible that another estimate may be made or that management's estimate may change in the future, which could result in changes to the depreciation rates. Management bases its estimate of the useful life of equipment on expected utilization, technological change and effectiveness of maintenance programs.

PATENT RIGHTS Patents are recorded at cost and are amortized over the patent life currently estimated at 11 years. Amortization is to commence in 2002 upon commencement of commercial use of the patented product.

INVESTMENT Investments are recorded at cost and are periodically assessed for permanent impairment.

GOODWILL Goodwill, representing the excess of cost over the fair market value of the net assets of companies acquired, is amortized on a straight line basis over 10 years. The evaluation for impairment of goodwill is based on a comparison of the carrying values of goodwill and associated operating assets with the estimated undiscounted net cash flows from those assets.

INCOME TAXES The Company has adopted the liability method of accounting for income taxes. Under this method, future income tax liabilities and assets are recognized to the extent that assets and liabilities are recorded in the accounts at amounts different from their tax basis.

STOCK OPTIONS The Company has a stock option plan which is described in note 7. When stock options are issued, no compensation expense is recorded. Any consideration received on exercise of the stock options is credited to share capital.

EARNINGS PER SHARE Earnings per share is calculated using the weighted average number of common shares outstanding during the period. Diluted earnings per share are calculated using the treasury stock method where deemed proceeds of the exercise of options are considered to be used to re-acquire common shares at an average share price.

COMPARATIVE FIGURES Comparative figures have been restated to conform to current year's presentation.

NOTE 2 – CHANGE OF ACCOUNTING POLICIES

Effective January 2001, the Company adopted the treasury stock method for calculation of diluted earnings per share under which deemed proceeds of the exercise of options and warrants are considered to be used to re-acquire common shares at an average share price. Previously, additional earnings were imputed based on the proceeds resulting from the exercise of options and warrants. The Company has adopted this calculation retroactively with restatement of the prior year. As a result, for the year ended December 31, 2001, the fully diluted calculation under the new standard has been increased by $0.01 (2000 – $0.01) per share to produce a diluted calculation under the new standard of $1.27 (2000 – $0.89) per share.

Effective January 2000, the Company adopted the liability method of accounting for future income taxes. Prior to adoption of this new accounting standard, income tax expense was determined using the deferral method. The new policy has been applied retroactively, without restating the financial statements of any prior periods. As a result, the Company has recorded a decrease to retained earnings of $542,948 and an increase to the future tax liability, formerly the deferred tax liability, of $542,948.

NOTE 3 – ACQUISITIONS

During the year ended December 31, 2000, the Company completed the following acquisitions:

(a) Acquisition of all the issued and outstanding shares of Northline Energy Services Inc. ("Northline") in January 2000 for consideration of 461,081 common shares and $3,366,231. Northline provides coiled tubing services for the oil and gas industry in Western Canada.
(b) Acquisition of all the issued and outstanding shares of Canadian Oilfield Stimulation Services Ltd. ("COSS") in November 2000 for consideration of 173,553 common shares and $2,500,202. COSS provides a variety of well stimulation services and products for the oil and gas industry in Western Canada.

The acquisitions have been recorded using the purchase method with results of operations of the acquired entities included in the financial statements from the effective dates of acquisition. The details of the acquisitions are as follows:

	Northline	COSS	Total
Net assets acquired at fair market value:			
Net non-cash working capital	$ 980,655	$ 689,491	$ 1,670,146
Capital assets	5,928,284	2,955,000	8,883,284
Goodwill	4,297,798	2,870,150	7,167,948
Bank indebtedness	(490,287)	–	(490,287)
Long-term debt	(4,339,735)	(2,060,035)	(6,399,770)
Future tax liability	(373,101)	(30,349)	(403,450)
	6,003,614	4,424,257	10,427,871
Cash	–	175,936	175,936
	$ 6,003,614	$ 4,600,193	$ 10,603,807
Financed by:			
Cash	$ 3,366,231	$ 2,500,202	$ 5,866,433
Common shares	2,637,383	2,099,991	4,737,374
	$ 6,003,614	$ 4,600,193	$ 10,603,807

NOTE 4 – CAPITAL ASSETS

	2001	2000
Capital Assets:		
Land	**$ 3,503,182**	$ 1,201,866
Buildings and improvements	**6,315,574**	3,865,100
Equipment	**131,279,616**	92,304,681
Furniture and fixtures	**2,946,475**	1,988,205
	144,044,847	99,359,852
Accumulated Depreciation:		
Buildings and improvements	**770,057**	495,088
Equipment	**23,038,879**	16,541,424
Furniture and fixtures	**1,383,748**	865,519
	25,192,684	17,902,031
	$ 118,852,163	$ 81,457,821

NOTE 5 – OTHER ASSETS

	2001	2000
Patent rights	**$ 2,351,574**	$ 2,251,856
Investment, at cost	**1,649,697**	1,223,364
	$ 4,001,271	$ 3,475,220

NOTE 6 – LONG-TERM DEBT

Long-term debt is comprised of the following:

	2001	2000
Capital lease obligations	**$ 33,601,568**	$ –
Equipment loan	**–**	23,325,655
Less: Current Portion	**4,693,138**	2,996,209
	$ 28,908,430	$ 20,329,446

During 2001, the Company restructured its debt financing arrangements by entering into long-term capital lease contracts totalling $37.0 million, of which, $23.3 million was used to repay the outstanding equipment loan. The capital lease obligations bear interest at an average rate of 8.16% per annum, repayable on a monthly basis amortized over a seven-year term. The capital lease contracts contain no financial covenants and are secured by a pledge of specific assets.

The estimated repayments required subsequent to December 31, 2001 are as follows:

2002	$ 4,693,138
2003	$ 4,719,311
2004	$ 5,043,031
2005	$ 5,417,709
2006	$ 5,880,610
Thereafter	$ 7,847,769

Interest expense on long-term debt was $2,323,191 in the year ended December 31, 2001 (2000 – $1,482,964).

NOTE 7 – SHARE CAPITAL

AUTHORIZED: An unlimited number of common shares and preferred shares, issuable in series.

ISSUED AND OUTSTANDING – COMMON SHARES:

	Number of Shares	Amount
Balance, December 31, 1999	15,177,527	$ 38,629,831
Issued pursuant to the acquisition of subsidiaries	634,634	4,737,375
Exercise of stock options	322,325	855,919
Share issue costs, net of future income tax benefit of $60,592		(102,729)
Balance, December 31, 2000	16,134,486	$ 44,120,396
Exercise of stock options	293,075	965,466
Balance, December 31, 2001	16,427,561	$ 45,085,862

The weighted average number of common shares outstanding for the year ended December 31, 2001 was 16,373,693 (2000 – 15,874,476).

COMMON SHARE PURCHASE WARRANTS: The Company has outstanding 200,000 common share purchase warrants of which 125,000 are exercisable into common shares at an exercise price of $3.75 per share and 75,000 are exercisable at $4.00 per share. The warrants are exercisable for a five year period ending in 2004.

INCENTIVE STOCK OPTION PLAN: Options may be granted at the discretion of the Board of Directors and all directors, officers and employees of the Company are eligible for participation in the Plan. The option price equals the closing price of the Company's shares on the Toronto Stock Exchange on the day preceding the date of grant. The options vest equally over a period of four years commencing on the first anniversary of the date of grant, and expire on the tenth anniversary of the date of grant.

The Company has reserved 1,469,149 common shares as at December 31, 2001 (December 31, 2000 – 1,796,148) for issuance under a stock option plan for directors, officers and employees. The maximum number of Common Shares permitted to be subject to outstanding options at any point in time is limited to 10% of the Common Shares then outstanding. As of December 31, 2001 1,422,400 options (December 31, 2000 – 1,275,625) were outstanding at prices ranging from $1.80 – $19.99 per share with expiry dates ranging from December 2006 to December 2011.

A summary of the status of the Company's stock option plan as of December 31, 2001 and 2000, and changes during the years ending on those dates is presented below:

	2001		2000	
	Options	**Weighted Average Exercise Price**	Options	Weighted Average Exercise Price
Outstanding at beginning of year	**1,275,625**	**$ 4.77**	1,268,000	$ 3.22
Granted	**473,750**	**15.10**	359,950	8.51
Exercised	**(293,075)**	**3.29**	(322,325)	2.66
Cancelled	**(33,900)**	**10.38**	(30,000)	6.75
Outstanding at end of year	**1,422,400**	**8.38**	1,275,625	4.77
Exercisable at end of year	**581,488**	**$ 3.83**	648,550	$ 2.78

The following table summarizes information about stock options outstanding at December 31, 2001:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	**Number Outstanding**	**Weighted Average Remaining Life**	**Weighted Average Exercise Price**	Number Exercisable	Weighted Average Exercisable Price
$2.00 to $2.00	**322,500**	**5**	**$ 2.00**	322,500	$ 2.00
$3.70 to $6.00	**71,850**	**6**	**5.41**	71,850	5.41
$2.90 to $5.60	**88,750**	**7**	**3.96**	50,500	3.90
$1.80 to $6.85	**162,550**	**8**	**5.19**	61,550	5.40
$6.75 to $12.70	**317,000**	**9**	**8.74**	75,088	8.82
$12.25 to $19.99	**459,750**	**10**	**15.06**	–	–
$1.80 to $19.99	**1,422,400**	**8.0**	**$ 8.38**	581,488	$ 3.83

NOTE 8 – INCOME TAXES

Year Ended December 31	**2001**	2000
Current	**$ 5,027,348**	$ 6,972,576
Future	**7,313,078**	2,737,243
	$ 12,340,426	$ 9,709,819

The net income tax provision differs from that expected by applying the combined federal and provincial income tax rate of 42.1% (2000 – 44.6%) to income before income taxes for the following reasons:

Year Ended December 31	**2001**	2000
Expected combined federal and provincial income tax	**$ 14,403,701**	$ 10,938,525
Manufacturing and processing rate reduction	**(2,252,412)**	(1,816,546)
Future tax rate reduction	**(459,713)**	(122,667)
Non-deductible goodwill amortization	**383,984**	297,554
Other	**264,866**	412,953
	$ 12,340,426	$ 9,709,819

The components of the net future income tax liability as at December 31 are as follows:

	2001	2000
Future income tax assets:		
Share issue costs	**$ 193,918**	$ 364,039
Other	**144,146**	137,332
	338,064	501,371
Future income tax liabilities:		
Capital assets	**(6,407,091)**	(8,710,899)
Partnership income	**(10,289,752)**	–
	(16,696,843)	(8,710,899)
Net future income tax liability	**$ (16,358,779)**	$ (8,209,528)

NOTE 9 – FINANCIAL INSTRUMENTS

(a) *Fair values of financial assets and liabilities* The fair values of financial instruments included in the consolidated balance sheets, including long-term debt, approximate their carrying amount due to the short-term maturity of those instruments and the floating interest rate applied to long-term debt.

(b) *Risk management activities* The Company's customers are primarily engaged in the business of exploring for and producing oil and natural gas in western Canada. The financial well being of these companies is affected by the price of these commodities.

NOTE 10 – COMMITMENTS

The Company has future operating lease obligations on office and shop premises and automobile equipment in the aggregate amount of $11.9 million. The minimum lease payments over the next five years are as follows:

2002	$ 2,905,258
2003	$ 2,444,561
2004	$ 1,736,823
2005	$ 1,443,571
2006	$ 1,231,501

At December 31, 2001, the Company has obligations totaling approximately $5.9 million relating to the construction of fixed assets.

NOTE 11 – SEGMENTED INFORMATION

The Company provides a comprehensive array of specialized products, equipment, services and technology to customers in western Canada through two operating divisions:

- *Well Service* provides cementing, fracturing, deep coiled tubing and nitrogen services which are performed on new and producing oil and gas wells
- *Production Services* provides acidizing, intermediate depth coiled tubing, Polybore, jet pumping and Industrial Services which are predominantly used in the stimulation and reworking of existing oil and gas wells

2001	Well Service	Production Services	Corporate	Total
Revenue	**157,420,831**	**24,795,681**	**–**	**182,216,512**
Income before income taxes and goodwill amortization	**37,737,940**	**5,322,217**	**(7,935,015)**	**35,125,142**
Assets	**129,620,176**	**30,268,400**	**4,162,283**	**164,050,859**
Capital Expenditures	**36,485,584**	**8,222,040**	**1,433,440**	**46,141,064**
2000				
Revenue	116,016,380	14,861,869	–	130,878,249
Income before income taxes and goodwill amortization	25,925,103	5,139,434	(5,871,532)	25,193,005
Assets	109,571,944	20,571,576	475,065	130,618,585
Capital Expenditures	28,602,356	3,770,680	–	32,373,036

NOTE 12 – CONTINGENCIES

The Company, through the performance of its services and product sales obligations, is sometimes named as a defendant in litigation. The nature of these claims is usually related to personal injury, completed operations or product liability. The Company maintains a level of insurance coverage deemed appropriate by management and for matters for which insurance coverage can be maintained. The Company has no outstanding claims having a potentially material adverse effect on the Company as a whole.

Quarterly Results ($000s Canadian, except for per share values and job information; unaudited)

	2001				2000			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Revenue	**32,289**	**46,251**	**39,609**	**64,068**	43,573	34,074	17,461	35,770
Materials & Operating	**27,515**	**35,062**	**31,035**	**36,401**	30,016	24,365	15,443	23,780
Gross Profit	**4,774**	**11,189**	**8,574**	**27,667**	13,557	9,708	2,019	11,990
General & Administrative	**1,045**	**906**	**866**	**1,661**	1,312	821	509	1,049
Interest Expense	**754**	**925**	**628**	**709**	525	417	320	246
Depreciation and Amortization	**2,802**	**2,509**	**2,600**	**2,584**	2,239	1,970	1,796	1,543
	4,601	**4,340**	**4,094**	**4,954**	4,076	3,208	2,625	2,838
Income Before Income Taxes	**173**	**6,848**	**4,480**	**22,713**	9,481	6,500	(606)	9,151
Provision for Income Taxes	**222**	**2,329**	**1,262**	**8,528**	3,705	2,654	(283)	3,634
Net Income	**(49)**	**4,520**	**3,218**	**14,185**	5,776	3,846	(323)	5,517
Basic Earnings per Share	**–**	**0.28**	**0.20**	**0.88**	0.36	0.24	(0.02)	0.35
Diluted Earnings per Share	**–**	**0.26**	**0.19**	**0.84**	0.34	0.23	(0.02)	0.33
EBITDA	**3,763**	**10,319**	**7,553**	**26,106**	12,245	8,887	1,510	10,940
Cash Flow from Operations	**2,668**	**10,155**	**7,080**	**19,777**	8,831	6,502	2,212	7,622
Basic Cash Flow per Share	**0.16**	**0.62**	**0.43**	**1.21**	0.55	0.41	0.14	0.49

	2001				2000			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Number of Jobs Performed								
Well Service	**2,097**	**3,524**	**3,145**	**3,684**	3,042	3,011	1,705	2,777
Production Services	**502**	**633**	**734**	**630**	388	266	187	289
Average Revenue per Job								
Well Service	**12,824**	**11,563**	**11,230**	**14,590**	12,624	10,073	8,948	11,100
Production Services	**6,390**	**5,555**	**3,636**	**8,150**	5,015	5,358	6,164	6,181

CORPORATE INFORMATION

BOARD OF DIRECTORS

Kenneth M. Bagan [1] [2]
Vice President, Corporate Development and General Counsel, Tesco Corporation

Gary R. Bugeaud [2]
Partner, Burnet, Duckworth & Palmer LLP

Murray L. Cobbe
President and Chief Executive Officer

Donald R. Luft
Senior Vice President, Operations and Chief Operating Officer

Douglas F. Robinson [1] [2]
Chairman and Chief Executive Officer
Integrated Production Services Ltd.

Victor J. Stobbe [1]
President, American Leduc Petroleums Limited

OFFICERS

Murray L. Cobbe
President and Chief Executive Officer

Donald R. Luft
Senior Vice President, Operations and Chief Operating Officer

Michael G. Kelly, C.A.
Vice President, Finance, Chief Financial Officer and Corporate Secretary

Dale M. Dusterhoft
Vice President, Technical Services

David L. Charlton
Vice President, Sales & Marketing

Michael A. Baldwin, C.A.
Manager, Finance

Nadine A. Godlonton, C.G.A.
Controller

(1) Member of the Audit Committee

(2) Member of the Compensation Committee

CORPORATE OFFICE

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AUDITORS

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Calgary, Alberta

SOLICITORS

Burnet, Duckworth & Palmer LLP
Calgary, Alberta

BANKERS

Royal Bank of Canada
Calgary, Alberta

REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of Canada
Calgary, Alberta

STOCK EXCHANGE LISTING

The Toronto Stock Exchange
Trading Symbol: TCW

INVESTOR RELATIONS INFORMATION

Requests for information should be directed to:

Murray L. Cobbe
President and Chief Executive Officer

Michael G. Kelly, C.A.
Vice President, Finance, Chief Financial Officer and Corporate Secretary

TRICAN

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